

PRIME BROKERAGE AGREEMENT

This Agreement is made the ___ / ___ / ___ - between _____ ("Prime Broker") and _____ ("Executing Broker") which is either a self-clearing executing broker and/or a firm which is clearing transactions on behalf of an introducing firm.

WHEREAS, it is the intent of Executing Broker and Prime Broker that all prime brokerage services provided pursuant to this Agreement will be performed in compliance with the letter dated January 25, 1994 (the "SEC Letter") from the Division of Market Regulation of the Securities and Exchange Commission (the "SEC") with respect to the provision of prime brokerage services, as the same may be amended, modified, or supplemented from time to time;

WHEREAS, the parties hereto agree that it is desirable to set forth the prime brokerage arrangement between them;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the parties hereto agree as follows:

1. Scope and Intent

- (a) This Agreement sets forth the terms and conditions under which Executing Broker will carry a number of accounts (each, an "Account") which will be treated as broker-dealer credit accounts in the name of Prime Broker each for the benefit of a specified customer of Executing Broker that has requested prime brokerage services from the Prime Broker and under which Prime Broker may accept for clearance and settlement trades executed for those customers by Executing Broker. Executing Broker shall use the Prime Broker's Tax I.D. Number for each Account as set forth on the signature page hereof. Pursuant to the terms of the SEC Letter, Executing Broker acknowledges that, with respect to all transactions executed by it pursuant to this Agreement, it has a responsibility for knowing each customer, obtaining all proper documentation (including all new account documents) and conducting its own credit checks.
- (b) As long as this Agreement is in effect, Prime Broker shall be responsible for ensuring that each transaction which it has not disaffirmed or DK'd and is obligated to clear and settle hereunder is (i) cleared and settled on behalf of its customer and (ii) recorded on Prime Broker's books in either a cash or margin Account in conformity with Regulation T and applicable self-regulatory organization margin requirements.
- (c) This Agreement is applicable to trades in any security for which the parties hereto utilize the facilities of a registered clearing agency for the issuance of trade confirmations and affirmations in compliance with the SEC Letter, including the issuance and receipt of confirmations by the morning of the next business day after the trade date of a transaction. Executing Broker and Prime Broker agree that initially they will utilize the Depository Trust Company ("DTC") Institutional Delivery System ("DTC ID") for such purposes, but they may agree in writing to utilize the facilities of another registered clearing agency for such purposes. Any agreement which designates a different registered clearing agency shall contain all necessary information and make necessary conforming changes to this Agreement. Any references herein to DTC shall refer to DTC, Omgeo, or any successor thereof, as the context requires.
- (d) If Executing Broker is acting as a clearing broker on behalf of an introducing firm (an "Introducing Broker"), Executing Broker shall enter into an agreement with such Introducing Broker which shall allocate between the parties the rights and obligations of Executing Broker hereunder, as appropriate and in accordance with New York Stock Exchange ("NYSE") Rule 382, American Stock Exchange Rule 400 or the rules of the Financial Industry Regulatory Authority ("FINRA"), as applicable. Such agreement shall require Introducing Broker to represent that it does, and at all times during the term of this Agreement will, comply with the SEC's net capital rules applicable to Introducing Broker.

2. Customers To Whose Account This Agreement Applies

- (a) This Agreement is applicable to all customers identified on Schedule A, as such Schedule may be modified or supplemented from time to time ("Customers"). Additions to Schedule A shall be made by either party by telecopying a completed copy of Form 1 attached to said Schedule A to the other party or by identifying a Customer as a prime brokerage account on DTC's Standard Instructions Database ("SID"). The other party shall indicate its acceptance or rejection of each proposed Customer by re-telecopying to the initiating party a copy of such Form 1 executed by it and which indicates next to each proposed Customer's name "accept" or "reject," as applicable, or by linking the proposed Customer on SID. The completed Form 1 shall contain the name of each Introducing Broker, if applicable. Accepted additions shall be effective as to all trades for the added Customer(s) as of the trade date on which the acceptance was received by the initiating party or, if a later date is indicated on the Form 1, on such later date. For each Customer that is either (i) identified on Schedule A, (ii) added on a Form 1 or (iii) identified on SID and that, in any such case, is known to Prime Broker to be an investment adviser or money manager, Prime Broker shall send to Executing Broker the Schedule A or Form 1, together with a listing of the Customers of such adviser or manager that are known to Prime Broker and that are to be included in the prime brokerage arrangement (except a hardcopy listing of Customers of an advisor or manager identified on SID will be sent to Executing Broker separately; such listing may also be submitted electronically through SID after the date on which SID is able to perform such function); and if such adviser or manager adds Customers to or deletes Customers from such relationship, Prime Broker shall as soon as practicable after receipt of such information send an updated attachment to Schedule A or the appropriate Form 1, which update may also be submitted electronically through SID after the date on which SID is able to perform such function. Deletions of a Customer shall be made by either party by giving notice on DTC's Participant Terminal System ("PTS") or, with respect to a Customer which had been identified as a prime brokerage account on SID, then by deleting such Customer from SID (the "DTC Notice"). In addition, for parties using a hardcopy Schedule A, the party deleting a Customer shall use its best efforts to telecopy an executed copy of Form 1 to the other party which shall indicate the deletions to be made. All deletions made pursuant to this Section 2(a) shall be effective as to all trades for the deleted Customer(s) with trade date after the business day on which the DTC Notice was available for retrieval on the receiving party's PTS terminal or, if a later date is specified in the DTC Notice, on such later date.
- (b) Prime Broker shall provide to Executing Broker, upon request, information with respect to a Customer or a Customer's Account(s), if the Customer has authorized Prime Broker to do so in writing.
- (c) Prime Broker acknowledges that it is responsible for monitoring and ensuring Customers' compliance with the minimum net equity requirements specified in the SEC Letter (the "net equity requirements") and agrees to notify Executing Broker promptly (i) upon determining that a Customer has fallen below the net equity requirements; or (ii) that it is no longer acting as Prime Broker for a Customer who has fallen below the net equity requirements and who has failed to bring itself into compliance with such requirements within the time specified in the SEC Letter. Such notice shall be given in accordance with the procedures for deletion of a Customer set forth in paragraph (a) of this Section 2. Prime Broker shall not affirm and, after January 1, 1995 (or such time that DTC ID supports DKs for trades, if later), shall DK, in accordance with Section 3 of this Agreement, all transactions for such Customer with trade date after the business day on which the DTC Notice relating to such Customer was available for retrieval on the receiving party's PTS terminal.

3. Confirmations; Trade Acceptance and Disaffirmance

- (a) Executing Broker shall confirm to Prime Broker on DTC ID the contract amount of the transaction, the security involved (including CUSIP number), the number of shares or units, whether the transaction is a purchase or sale, if a sale, whether the transaction was a short sale or long sale, whether a prospectus is required to be delivered and any other information required by DTC ID.
- (b) With respect to all trades effected prior to the date on which DTC ID supports DKs for trades, Prime Broker will assume responsibility for clearing and settling trades executed by Executing Broker on

- behalf of a Customer as to which a confirmation has been made available by DTC ID to Prime Broker by 12:00 noon (eastern time) on the business day following the trade date of the transaction, as to which Prime Broker has affirmed and, for trades which have been affirmed by 9:00 a.m. on the business day following the trade date of the transaction, has not disaffirmed promptly after determining to do so but in no event later than 3:00 p.m. (eastern time) on such day and, for all other transactions, has not disaffirmed promptly after determining to do so but in no event later than the close of business of the business day following the trade date of the transaction (the "disaffirmance deadline"). Prime Broker shall affirm each trade as to which the trade and settlement details from Executing Broker and the Customer match in all respects and which, if such trade had been effected on a day on which DTC ID supported DKs for trades, would not otherwise have been DK'd by Prime Broker. Prime Broker will assume responsibility for settling "as of trades for which trade data has been corrected if (a) the corresponding corrected confirmation was made available by DTC ID to Prime Broker by 12:00 noon (eastern time) and (b) Prime Broker has affirmed and not disaffirmed such trade by the disaffirmance deadline of the business day on which the corrected confirmation was made available by DTC ID. If a confirmation was made available by DTC ID to Prime Broker after 12:00 noon (eastern time) on a business day, receipt of such confirmation shall be deemed to have occurred on the following business day and the deadline to disaffirm such transaction shall be extended accordingly.
- (c) With respect to all trades effected after such time as DTC ID supports DKs for trades, Prime Broker will assume responsibility for clearing and settling trades executed by Executing Broker on behalf of a Customer as to which a confirmation was made available by DTC ID to Prime Broker by 12:00 noon (eastern time) and as to which Prime Broker has not disaffirmed by the disaffirmance deadline or DK'd by the close of business on the business day following the trade date of the transaction. Prime Broker will assume responsibility for settling "as of trades for which trade data has been corrected if (a) the corresponding corrected confirmation was made available by DTC ID to Prime Broker by 12:00 noon (eastern time) and (b) such trade has not been disaffirmed by the disaffirmance deadline, or DK'd by the close of business, of the business day on which the corrected confirmation was made available by DTC ID. If a confirmation was made available by DTC ID to Prime Broker after 12:00 noon (eastern time) on a business day, receipt of such confirmation shall be deemed to have occurred on the following business day and the applicable deadline to disaffirm or DK such transaction shall be extended accordingly.
- (d) In all cases referred to in this Section 3, if Prime Broker receives a confirmation on a day which is not a business day, it shall have until the applicable deadline (determined in accordance with paragraphs (b) and (c) of this Section 3) on the next business day to disaffirm or DK the corresponding trade.
- (e) Prime Broker may disaffirm transactions pursuant to this Section 3 if it determines to do so in good faith and in accordance with reasonable commercial standards. A disaffirmance shall not be deemed to be in accordance with reasonable commercial standards if, taking into account all applicable house maintenance margin requirements, there would be enough cash in the Customer's Account to settle the transactions at issue or no margin call would be required as a result of settling the transactions at issue. In making a disaffirmance determination, Prime Broker may consider all transactions for a Customer with a trade date that is the date of a proposed disaffirmance and the date of the business day immediately prior thereto. Notwithstanding the foregoing, Prime Broker may disaffirm or DK a transaction which it does not have the required facilities or relationship to clear (for example, Prime Broker may disaffirm a trade in Swedish government bonds if it neither is a member of the applicable Swedish clearing agency nor has a relationship with a correspondent capable of clearing such trade) or which, in its reasonable determination, violates applicable regulatory requirements (such action being termed "non-discretionary").
- (f) Unless a disaffirmance is non-discretionary or if otherwise agreed to by the parties hereto, a disaffirmance of a trade shall be deemed to be a disaffirmance of all prime brokerage trades for the particular Customer for which the disaffirmance deadline has not passed with trade dates that are the date of the disaffirmance and the date of the business day immediately prior thereto, and Prime Broker shall give notice, in accordance with procedures established by DTC, to all executing brokers who have executed transactions which are being disaffirmed. Each notice of disaffirmance given to an

executing broker shall specify the Customer and all trades to which such disaffirmance relates. In addition, Prime Broker shall either (i) delete the Customer from its prime brokerage relationship, in accordance with Section 2(a) of this Agreement, or (ii) if not prohibited by applicable law, give notice on PTS, and shall use its best efforts to telecopy said notice, of the disaffirmance to all executing brokers for such Customer with whom Prime Broker has entered into prime brokerage agreements who did not execute a trade being disaffirmed. All DKs and non-discretionary disaffirmances shall apply only with respect to the transaction at issue.

- (g) If, except for this paragraph (g), Prime Broker would otherwise disaffirm a block trade for Customers of an investment adviser or money manager because of one or more of such Customers (the "removed Customers") receiving an allocation, Prime Broker shall give notice of this fact to Executing Broker who shall cancel and rebill the trade so as to exclude from the block trade to be cleared by Prime Broker those securities which were originally allocated to the removed Customers. However, Executing Broker need not cancel and rebill the block trade if, prior to the disaffirmance deadline applicable to such trade, Prime Broker has received from the adviser or money manager a corrected allocation of the block trade to the non-removed Customers.
- (h) Affirming and DKing trades shall be effected through DTC ID in accordance with all applicable DTC procedures in effect at the time. Disaffirming trades shall be effected in accordance with the procedures for disaffirmance established by DTC in effect at the time. Executing Broker represents that it has provided DTC with the names and telephone numbers of its personnel to be contacted in the event DTC receives a notice of disaffirmance from Prime Broker which relates to a trade executed by Executing Broker. Executing Broker shall keep such information current at all times and shall promptly inform DTC of all necessary changes to such information.

4. Buy-Ins and Short Sales

- (a) Except as provided in Section 9 of this Agreement, buy-ins will be executed by either Executing Broker or Prime Broker, depending upon which party is failing to receive securities from a counterparty, at the times permitted and in accordance with clearing agency rules, rules of FINRA, rules of the NYSE or other stock exchanges, as applicable to the transaction at issue.
- (b) Executing Broker shall be responsible for complying with all applicable rules and regulations of the SEC and applicable self regulatory organizations governing the execution of short sales.

5. Prospectus Delivery Requirements

If a trade involves a new issue or other transaction requiring delivery of a prospectus, Executing Broker shall advise Prime Broker of such fact in accordance with Section 3(a) of this Agreement and shall send one prospectus to Prime Broker not later than the close of business of the business day after the trade date. If Prime Broker requires more than one prospectus for delivery in respect of a bulk trade, Prime Broker shall give notice to Executing Broker specifying the quantity of prospectuses required and Executing Broker shall send to Prime Broker a sufficient quantity of prospectuses as soon as practicable after receipt of such notice. References in this Section 5 to the term "prospectus" shall include Official Statements relating to municipal bond offerings and other similar offering materials.

6. Term; Termination of Entire Agreement

The term of this Agreement shall commence on the date hereof and shall continue until this Agreement is terminated in accordance with this Section 6. Executing Broker and Prime Broker may each terminate this Agreement for any reason at any time upon notice to the other party which shall be given through PTS (the "Termination Notice"). Such termination shall apply with respect to all trades with trade date after the business day on which the Termination Notice was available on the receiving party's PTS terminal for retrieval or, if a later date is specified in the Termination Notice, on such later date. In addition, the party terminating this Agreement shall use its best efforts to telecopy to the other party hereto a written notice specifying the information contained in the Termination Notice; provided, however, that failure to send

such telecopy notice shall not invalidate the Termination Notice. This Agreement shall, notwithstanding a Termination Notice, remain applicable to any transaction then outstanding.

7. Net Capital Requirements

- (a) Executing Broker represents that it clears its own transactions and that it has and shall maintain at all times during the term of this Agreement net capital of at least \$1,000,000. If at any time Executing Broker ceases to be in compliance with this Section 7(a), it shall immediately give Prime Broker notice of its intention to terminate this Agreement, and this Agreement shall terminate, in accordance with Section 6 of this Agreement.
- (b) Prime Broker represents that it has and shall maintain at all times during the term of this Agreement net capital of at least \$1,500,000. If at any time Prime Broker ceases to be in compliance with this Section 7(b), it shall immediately give Executing Broker notice of its intention to terminate this Agreement, and this Agreement shall terminate, in accordance with Section 6 of this Agreement.

8. Representations and Warranties

Prime Broker and Executing Broker each represent and warrant to the other that (i) it has all necessary corporate or other power to execute and deliver this Agreement, to enter into the transactions and perform its obligations contemplated hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf, (iii) it has given all notices to and has obtained all authorizations required from any governmental body or self-regulatory organization of which it is a member necessary to enter into and perform this Agreement (including, as to Prime Broker, notification to its designated examining authority of its intention to act as prime broker), (iv) the execution, delivery and performance of this Agreement and the transactions contemplated hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it or any of its assets are bound and (v) it is a "financial institution" for purposes of Section 402(9) of the Federal Deposit Insurance Corporation Improvement Act of 1991, 12 U.S.C. Section 4402(9), and Section 231.3(a) of Regulation EE, 12 C.F.R. Section 2313(a), promulgated thereunder. Each such representation shall be deemed remade on each date on which Executing Broker submits a prime brokerage transaction to Prime Broker and on which Prime Broker accepts a prime brokerage transaction.

9. Events of Insolvency

If an Event of Insolvency occurs with respect to either party hereto, at the option of the non-insolvent party, in addition to any other rights or remedies the non-insolvent party may have at law or in equity, the non-insolvent party shall have an immediate right without notice to the insolvent party to liquidate all open prime brokerage transactions between them by either selling out or buying-in and netting any gains therefrom against any losses therefrom and netting costs of liquidation. The insolvent party shall be liable to the non-insolvent party for any shortfall owing after such liquidation and netting, together with interest at the prime rate from the date of liquidation to the date of payment. It is the intent of the parties that each prime brokerage transaction to be cleared and settled hereunder shall be a securities contract as such term is defined in Section 741 of the Bankruptcy Code, 11 U.S.C. Section 741, and that the rights afforded herein include a right to liquidate transactions as provided in Section 555 of the Bankruptcy Code, 11 U.S.C. Section 555, and to set-off claims as provided in Section 362(b)(6) of the Bankruptcy Code, 11 U.S.C. Section 362(b)(6).

10. Definitions

The following terms have the respective meanings set forth below for all purposes of this Agreement. All other terms not defined below shall have the respective meanings accorded thereto in accordance with custom and usage in the securities industry.

- (a) "affirm" shall mean to acknowledge to Executing Broker, on DTC ID, that the reported details of a particular trade and the corresponding settlement instructions received from Executing Broker match those received from the Customer.
- (b) "broker-dealer credit account" shall mean an account subject to the terms of Section 220.11 of Regulation T (12 C.F.R. 220.11).
- (c) "business day" shall mean any day which is not a Saturday or Sunday on which the NYSE is open for business.
- (d) "close of business" shall have the meaning ascribed to it by DTC (currently, 5:00 p.m. (eastern time)) in its rules and regulations as in effect from time to time.
- (e) "disaffirm" shall mean to communicate, in accordance with procedures established by DTC, a rejection of one or more previously affirmed trades and an intent not to clear and settle such trades for a reason permitted by Section 3(e) of this Agreement. A notice of disaffirmance given by Prime Broker shall be deemed given at the time such notice is available for retrieval on Executing Broker's PTS terminal designated for that purpose, unless telephonic notice given in accordance with DTC procedures is actually received earlier by Executing Broker, in which event notice shall be deemed given upon such actual receipt. Prime Broker shall also use its best efforts to telecopy notices of disaffirmance to all affected executing brokers specifying the Customer's name and all trades to which the disaffirmance relates; provided, however, that failure to send such telecopy notice shall not invalidate the notices of disaffirmance given on PTS or by telephone.
- (f) "DK" shall mean to give notice, on DTC ID, of an intention not to clear and settle a particular trade due to a complete inability to recognize the trade being submitted or a discrepancy in one or more details of the trade and the corresponding settlement instructions as reported by Executing Broker and the Customer, or for the reasons permitted by the last sentences of Sections 2(c) and 3(e) of this Agreement. Except for trades being DK'd because of a discrepancy with respect to the existence or details of the trade, notice of the reason for the DK shall also be given.
- (g) "Event of Insolvency" shall mean with respect to any party (i) the commencement by or against such party of any case or proceeding under the Bankruptcy Code, 11 U.S.C. Section 101 et seq., or any successor statute, (ii) the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, (iii) the making by a party of a general assignment for the benefit of creditors, or (iv) the admission in writing by a party of its inability to pay its debts as they become due.
- (h) "net equity" shall mean the total current value of security positions plus any credit less any debit balance.
- (i) "prime brokerage services" shall mean clearance, settlement, custodial and related recordkeeping services.
- (j) "prime rate" for any day shall mean the prime rate of interest of Citibank, N.A. as published in *The Wall Street Journal* on such day.

11. Notices

Unless another telecopy number or address is specified in writing by the respective party to whom any notice or communication may be or is to be given hereunder or unless provided otherwise for a specific notice or communication elsewhere in this Agreement, all such notices or communications shall be in writing and delivered to the telecopy numbers or addresses, as required, set forth on the signature page hereto.

12. Assignability

The rights and obligations of the parties to this Agreement and any transaction hereunder shall be binding on such parties and their respective successors and assigns. Neither this Agreement, nor any transaction subject to this Agreement, may be assigned without the prior written consent of both parties hereto, other than as part of a general transfer of the assigning party's business, and any assignment to the contrary shall be void.

13. Waivers and Modifications

No express or implied waiver of any default by either party shall constitute a waiver of any other default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder or at law or equity. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by the party to be charged.

14. Severability

Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

15. Revocation of Prior Agreements

All prior letters and undertakings between the parties hereto in respect of prime brokerage services for Customers' accounts are hereby revoked.

16. Governing Law

This Agreement shall be governed by the laws of the state of New York without giving effect to the conflicts of law principles thereof.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed and delivered by their respective officers duly authorized thereunto.

PRIME BROKER

By: _____

Title: _____

PRIME BROKER INFORMATION

Tax ID. No.: _____

DTC
No.: _____

DTC Agent Bank No.: _____

Address: _____

Address for Prospectuses: _____

PTS Terminal Address for Notices: _____

Attn: _____

Telecopy No. for Schedule A Changes: _____

Attn: _____

Telecopy No. for Disaffirmation and other Notices: _____

Attn: _____

EXECUTING BROKER

By: _____

Title: _____

EXECUTING BROKER INFORMATION

Address: _____

PTS Terminal Address for Disaffirmation and other
Notices: _____

Attn: _____

Telecopy No. for Schedule A Changes: _____

Attn: _____

Telecopy No. for Prospectus Delivery Notices: _____

Telecopy No. for Disaffirmation and other Notices: _____

Attn: _____

Form 1 to Schedule A

Date: ___ / ___ / _____

Pursuant to the Prime Brokerage Agreement dated as of _____ (the "Prime Brokerage Agreement"), between _____ as Prime Broker and _____ as Executing Broker, the following Customers are proposed to be added or deleted by _____ as indicated below.

ADDITIONS

Customer Name	Prime Broker Account No.	Executing Broker FBO Account No.	Date Opened	Institutional No.	Accept/Reject	Intro. Broker*
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

Indicate effective date for each added Customer if other than as specified in section 2(a) of the Prime Brokerage Agreement:

Name	Effective Date
_____	_____
_____	_____
_____	_____

**If applicable*

Prime Broker shall attach a listing of sub-accounts, if applicable. Such list shall include Customer name, address and Tax ID number.

DELETIONS

Customer Name	Prime Broker Account No.	Executing Broker FBO Account No.	Date Opened	Institutional No.	Effective Date*
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

*If other than as specified in Section 2(a) of the Prime Brokerage Agreement

PRIME BROKER

EXECUTING BROKER

By: _____

By: _____

Title: _____

Title: _____